



**CITY OF NEWPORT BEACH  
HUMAN RESOURCES DEPARTMENT**

**WHAT YOU NEED TO KNOW ABOUT THE HEALTH BENEFITS OPT-OUT  
PROVISION**

The health benefits opt out provision is a benefit found and defined in the Memorandum of Understanding (MOU) of all City bargaining groups. This packet of information has been developed in order to facilitate employee's understanding of the benefit and to provide all the forms necessary for implementation.

**WHEN CAN I UTILIZE THIS BENEFIT?**

This benefit becomes available when a covered City employee obtains alternative medical coverage under their spouse's group plan **OR** when a covered City employee obtains group medical coverage outside the City's plans within the last 60 days. Opting out can also occur during the open enrollment period as well.

**The opt-out is not available to a covered City employee whose spouse is also a covered City employee except during open enrollment periods. This is a requirement of the health plans.**

**HOW DO I OBTAIN MY OPT-OUT BENEFIT?**

You must read and complete the waiver and release agreement and attach proof of active and current alternative group coverage as stipulated in the waiver form. **Employees who select health care plans through the health insurance marketplace under the Affordable Care Act will not receive a cafeteria allowance.**

**Employees who do not elect a medical plan with the City or provide proof of other group coverage will be enrolled in the lowest cost single coverage plan effective January 1, 2014.**

**WHEN WILL MY COVERAGE ACTUALLY BE CANCELED?**

Your coverage under a City health plan will cease on the last day of the month you successfully complete your paperwork to cancel your insurance.

**HOW SOON WILL I START TO RECEIVE MY BENEFIT?**

You will begin to receive your benefit in the second pay period of the month following the month in which your insurance was canceled.

**Please note: Benefits will begin as stated above provided you submit your waiver to Human Resources and it is approved by the 15<sup>th</sup> of the month, otherwise benefits will be delayed for an additional month.**

**HOW DO I GET REINSTATED IN A CITY HEALTH PLAN AFTER WAIVING COVERAGE?**

The medical, dental and vision plans require that reinstatement occur only during open enrollment periods, unless you experience a qualifying event.

**WHAT IS A QUALIFYING EVENT?**

Marriage, divorce, birth of a child, death, loss of coverage, gaining other coverage, placement of an adopted child, and gaining stepchildren through marriage are all considered qualifying events. You only have 60 days after a qualifying event to make any adjustments.

**WHO CAN I TALK TO FOR MORE INFORMATION?**

Please feel free to contact any member of the Human Resources Office staff about this benefit. The office phone number is (949) 644-3300.



## CITY OF NEWPORT BEACH

### WAIVER OF BENEFITS AND RELEASE AGREEMENT

The City of Newport Beach provides health benefits, which are defined to be medical, dental and vision to all regular full-time City employees. Employees are allowed to waive the City's health benefits, and receive opt-out money. To qualify, the employee would be required to supply evidence of alternative group medical coverage and sign this agreement. The opt-out amounts are as follows:

Association/Bargaining Unit	Hired	Per Month	Per Pay Period
FA & FMA		\$1,149.00	\$530.31
PA & PMA		\$1,274.00	\$588.00
Prof/Tech, Key/Mgmt, CEA, League & LMA:	Before December 31, 2012	\$1,249.00	\$576.46
	After January 01, 2013	\$600.00	\$276.92

I, \_\_\_\_\_ am in \_\_\_\_\_ Association and am eligible for \$\_\_\_\_\_ per/mo.  
Print Name

- Employee has group medical coverage, or for current employees gained group medical coverage within the last 30 days, and would like to waive his/her rights to participate in the City offered medical coverage in order to receive the opt-out money per month.
- Employee has provided the City with proof of current group medical coverage in **one of the following forms** and attached it to this waiver and incorporated by reference. **Copies of or presentation of other insurance member identification cards are not accepted as proof of coverage.**
  - Letter from Employee's spouse's employer or covered person's employer, or
  - Letter from the other insurance plan verifying that Employee is covered as a subscriber or dependent under their coverage. **Note: the proof of coverage must be in effect for the duration of the following plan year.**
- By signing this waiver:
  - Employee agrees to release the City of Newport Beach from any responsibility as their employer to provide medical coverage to Employee. Employees may only waive health benefits once per plan year, unless a qualifying event occurs.
  - Employee agrees to indemnify and hold harmless the City of Newport Beach from any responsibility, damages, losses, causes of action or other claims as a result of Employee's request to waive City provided medical coverage and the City's cancellation of coverage in Employee's name in response to Employee's execution of this waiver.
- This waiver and release agreement shall remain in full effect until the next Open Enrollment period at which time I acknowledge that I will be required to provide updated proof of other group coverage, should I wish to opt-out for the following plan year.

Waiving:

☐ PERS Medical

☐ Dental

☐ Vision

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

Human Resources Department Use Only

☐ Proof of valid coverage attached

☐ Cancel forms attached

\_\_\_\_\_  
Authorized H.R. Personnel

\_\_\_\_\_  
Date